



Atlantic Canada
Opportunities
Agency

Agence de
promotion économique
du Canada atlantique

2014-15

Report on Plans and Priorities



Government
of Canada

Gouvernement
du Canada

2014-15

ESTIMATES

PART III – Departmental Expenditure Plans: Reports on Plans and Priorities

Purpose

Reports on Plans and Priorities (RPP) are individual expenditure plans for each department and agency. These reports provide increased levels of detail over a three-year period on an organization's main priorities by strategic outcome, program and planned/expected results, including links to related resource requirements presented in the Main Estimates. In conjunction with the Main Estimates, Reports on Plans and Priorities serve to inform members of Parliament on planned expenditures of departments and agencies, and support Parliament's consideration of supply bills. The RPPs are typically tabled soon after the Main Estimates by the President of the Treasury Board.

Estimates Documents

The Estimates are comprised of three parts:

Part I - Government Expenditure Plan - provides an overview of the Government's requirements and changes in estimated expenditures from previous fiscal years.

Part II - Main Estimates - supports the appropriation acts with detailed information on the estimated spending and authorities being sought by each federal organization requesting appropriations.

In accordance with Standing Orders of the House of Commons, Parts I and II must be tabled on or before March 1.

Part III - Departmental Expenditure Plans - consists of two components:

- Report on Plans and Priorities (RPP)
- Departmental Performance Report (DPR)

DPRs are individual department and agency accounts of results achieved against planned performance expectations as set out in respective RPPs.

The DPRs for the most recently completed fiscal year are tabled in the fall by the President of the Treasury Board.

Supplementary Estimates support Appropriation Acts presented later in the fiscal year. Supplementary Estimates present information on spending requirements that were either not sufficiently developed in time for inclusion in the Main Estimates or have subsequently been refined to account for developments in particular programs and services. Supplementary Estimates also provide information on changes to expenditure

forecasts of major statutory items as well as on such items as: transfers of funds between votes; debt deletion; loan guarantees; and new or increased grants.

For more information on the Estimates, please consult the [Treasury Board Secretariat website](#).

Links to the Estimates

As shown above, RPPs make up part of the Part III of the Estimates documents. Whereas Part II emphasizes the financial aspect of the Estimates, Part III focuses on financial and non-financial performance information, both from a planning and priorities standpoint (RPP), and an achievements and results perspective (DPR).

The Management Resources and Results Structure (MRRS) establishes a structure for display of financial information in the Estimates and reporting to Parliament via RPPs and DPRs. When displaying planned spending, RPPs rely on the Estimates as a basic source of financial information.

Main Estimates expenditure figures are based on the Annual Reference Level Update which is prepared in the fall. In comparison, planned spending found in RPPs includes the Estimates as well as any other amounts that have been approved through a Treasury Board submission up to February 1st (See Definitions section). This readjusting of the financial figures allows for a more up-to-date portrait of planned spending by program.

Changes to the presentation of the Report on Plans and Priorities

Several changes have been made to the presentation of the RPP, partially to respond to a number of requests – from the House of Commons Standing Committees on Public Accounts (PAC - [Report 15ⁱ](#)), in 2010; and on Government and Operations Estimates (OGGO - [Report 7ⁱⁱ](#)), in 2012 – to provide more detailed financial and non-financial performance information about programs within RPPs and DPRs, thus improving the ease of their study to support appropriations approval.

- In Section II, financial, human resources and performance information is now presented at the Program and Sub-program levels for more granularity.
- The report's general format and terminology have been reviewed for clarity and consistency purposes.
- Other efforts aimed at making the report more intuitive and focused on Estimates information were made to strengthen alignment with the Main Estimates.

How to read this document

RPPs are divided into four sections:

Section I: Organizational Expenditure Overview

This Organizational Expenditure Overview allows the reader to get a general glance at the organization. It provides a description of the organization's purpose, as well as basic financial and human resources information. This section opens with the new Organizational Profile, which displays general information about the department, including the names of the minister and the deputy head, the ministerial portfolio, the year the department was established, and the main legislative authorities. This subsection is followed by a new subsection entitled Organizational Context, which includes the *Raison d'être*, the Responsibilities, the Strategic Outcomes and program alignment architecture, the Organizational Priorities and the Risk Analysis. This section ends with the Planned Expenditures, the Alignment to Government of Canada Outcomes, the Estimates by Votes and the Contribution to the Federal Sustainable Development Strategy. It should be noted that this section does not display any non-financial performance information related to programs (please see Section II).

Section II: Analysis of Program(s) by Strategic Outcome(s)

This Section provides detailed financial and non-financial performance information for strategic outcomes, programs and sub-programs. This section allows the reader to learn more about programs by reading their respective description and narrative entitled "Planning Highlights". This narrative speaks to key services or initiatives which support the plans and priorities presented in Section I; it also describes how performance information supports the department's strategic outcome or parent program.

Section III: Supplementary Information

This section provides supporting information related to departmental plans and priorities. In this section, the reader will find future-oriented statement of operations and a link to supplementary information tables regarding transfer payments, as well as information related to the greening government operations, internal audits and evaluations, horizontal initiatives, user fees, major crown and transformational projects, and up-front multi-year funding, where applicable to individual organizations. The reader will also find a link to the *Tax Expenditures and Evaluations*, produced annually by the Minister of Finance, which provides estimates and projections of the revenue impacts of federal tax measures designed to support the economic and social priorities of the Government of Canada.

Section IV: Organizational Contact Information

In this last section, the reader will have access to organizational contact information.

Definitions

Appropriation

Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

Budgetary Vs. Non-budgetary Expenditures

Budgetary expenditures – operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations. Non-budgetary expenditures – net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

Expected Result

An outcome that a program is designed to achieve.

Full-Time Equivalent (FTE)

A measure of the extent to which an employee represents a full person-year charge against a departmental budget. FTEs are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada Outcomes

A set of high-level objectives defined for the government as a whole.

Management Resources and Results Structure (MRRS)

A common approach and structure to the collection, management and reporting of financial and non-financial performance information.

An MRRS provides detailed information on all departmental programs (e.g.: program costs, program expected results and their associated targets, how they align to the government's priorities and intended outcomes, etc.) and establishes the same structure for both internal decision making and external accountability.

Planned Spending

For the purpose of the RPP, planned spending refers to those amounts for which a Treasury Board (TB) submission approval has been received by no later than February 1, 2014. This cut-off date differs from the Main Estimates process. Therefore, planned spending may include amounts incremental to planned expenditure levels presented in the 2014-15 Main Estimates.

Program

A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results, and that are treated as a budgetary unit.

Program Alignment Architecture

A structured inventory of a department's programs, where programs are arranged in a hierarchical manner to depict the logical relationship between each program and the strategic outcome(s) to which they contribute.

Spending Areas

Government of Canada categories of expenditures. There are four spending areas (social affairs, economic affairs, international affairs and government affairs), each comprised of three to five Government of Canada outcomes.

Strategic Outcome

A long-term and enduring benefit to Canadians that is linked to the department's mandate, vision, and core functions.

Sunset Program

A time-limited program that does not have on-going funding or policy authority. When the program is set to expire, a decision must be made as to whether to continue the program. (In the case of a renewal, the decision specifies the scope, funding level and duration).

Whole-of-Government Framework

A map of the financial and non-financial contributions of federal organizations receiving appropriations that aligns their Programs to a set of high level outcome areas defined for the government as a whole.

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Minister's Message

In 2014-15, our Government will follow through on its commitment to create jobs, economic growth and long-term prosperity for all Canadians.

In the face of global economic fragility, Canada took the necessary steps to set a solid foundation for long-term prosperity.

Canada now leads the G-7 in job creation, in income growth and in keeping debt levels low.

In the Atlantic region, the Atlantic Canada Opportunities Agency (ACOA) will continue to act as the key federal catalyst for economic development.

ACOA will support the region's small and medium-sized enterprises (SMEs) in their efforts to become more innovative, productive and competitive, while helping rural communities create and seize opportunities for economic growth and diversification.

The Agency will also help Atlantic Canada's SMEs explore opportunities for international business development generated by Canada's Global Markets Action Plan and the newly announced Canada-European Union Comprehensive Economic and Trade Agreement. ACOA will ensure that SMEs are prepared to maximize growth opportunities – including those that will flow from major projects such as our Government's \$38.6 billion shipbuilding strategy and the development of clean and renewable energy at Muskrat Falls.

I am pleased to present ACOA's 2014-15 Report on Plans and Priorities, which details the Agency's priorities for economic development in Atlantic Canada in the coming year.



Bernard Valcourt, PC, QC, MP
Minister of Aboriginal Affairs and Northern Development

Minister of State's Message

In 2014-15, ACOA will continue to support our Government's commitment to create jobs, growth and economic prosperity by focusing on key priorities that will help small and medium-sized enterprises (SMEs) and communities throughout Atlantic Canada create and capitalize on opportunities for economic development.

In the year ahead, ACOA's programs and services will focus on initiatives that help SMEs become more productive and competitive in the domestic and global marketplace. The Agency will pursue enhancements to its innovation programming, will support the commercialization of locally developed technologies and will encourage SMEs to enhance their productivity through initiatives such as the adoption of new technology and lean manufacturing, as well as improved business skills.

ACOA will also work with its partners in the private sector, academia, local economic development organizations and other government departments to develop targeted strategies that ensure communities throughout the region, particularly those in rural areas, are well positioned to seize opportunities to grow and diversify.

The Agency will also continue to organize activities under the Atlantic Shipbuilding Action Plan to help SMEs engage with key stakeholders and prepare for supply chain opportunities in the marine and defence sectors and beyond.

ACOA will continue to be a strong advocate for Atlantic Canada so that the region is able to maximize economic opportunities. Internally, ACOA will implement initiatives designed to ensure that the Agency maintains its standard of excellence with regard to service delivery, and that it continues to provide the SMEs and communities of this region with real, relevant and timely support.



Rob Moore, PC, MP
Minister of State
(Atlantic Canada Opportunities Agency)

Section I: Organizational Expenditure Overview

Organizational Profile

Minister: The Honourable Bernard Valcourt, PC, QC, MP

Minister of State: The Honourable Rob Moore, PC, MP

Deputy Head: Mr. Paul J. LeBlanc, President

Ministerial portfolio: Atlantic Canada Opportunities Agency

Year established: 1987

Main legislative authorities: Part I of the *Government Organization Act*, Atlantic Canada 1987, R.S.C., 1985, c. 41 (4th Supp.), also known as the *Atlantic Canada Opportunities Agency Act*. See the [Government of Canada Justice Laws website](#) for more info.

Other: Mr. Gerald Keddy is the Parliamentary Secretary to the Minister of National Revenue and for the Atlantic Canada Opportunities Agency.

The President of ACOA also serves as Chair of the Atlantic Canada Opportunities Board and Chair of the Board of Directors for the Enterprise Cape Breton Corporation, a federal Crown corporation created to promote and assist the financing and development of Cape Breton Island and the Mulgrave area in mainland Nova Scotia.

Additional information is available on the Agency's website regarding the [Repayable Contributions Portfolio of ACOA's Business Development Program](#).

Organizational Context

Raison d'être

Established in 1987 (Part I of the *Government Organization Act, Atlantic Canada 1987*, R.S.C., 1985, c.41 (4th Supp.)), also known as the *Atlantic Canada Opportunities Agency Act*, the Atlantic Canada Opportunities Agency (ACOA) is the federal department responsible for the Government of Canada's economic development efforts in the provinces of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland and Labrador.

The Minister of State (Atlantic Canada Opportunities Agency) is responsible for this organization.

ACOA works to create opportunities for economic growth in Atlantic Canada by helping businesses become more competitive, innovative and productive, by working with diverse communities to develop and diversify local economies, and by championing the strengths of Atlantic Canada. Together with Atlantic Canadians, ACOA is building a stronger economy.

Responsibilities

ACOA plays an important role in developing and supporting policies and programs that strengthen the region's economy. Its responsibilities are stated in the Agency's legislation, which mandates the organization "to increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region."ⁱⁱⁱ Although the Agency's policies and program tools have evolved since its inception, the overall goal remains constant. ACOA is dedicated to helping the Atlantic region realize its full economic potential in terms of productivity, innovation, competitiveness and growth. This is achieved by addressing structural changes in the economy, helping communities and businesses to overcome challenges, and capitalizing on opportunities. ACOA is committed to helping the region build its capacity and make the transition to a stronger economy.

The Agency provides services through its head office in Moncton, N.B., and throughout the four Atlantic provinces, with regional offices located in all four provincial capitals and 23 local field offices. With its Ottawa office, ACOA ensures that Atlantic Canada's interests are reflected in the policies and programs developed by other departments and agencies of the federal government.

Strategic Outcome and Program Alignment Architecture

ACOA's strategic outcome – a competitive Atlantic Canadian economy – and its program alignment architecture (PAA) can be found below. The PAA is based on the results of policy research and analysis, the periodic assessment of program relevance and performance, ongoing dialogue with stakeholders in the region, and the priorities and directions of the Government of Canada.

1. Strategic Outcome: A competitive Atlantic Canadian economy

1.1 Program: Enterprise Development

1.1.1 Sub-Program: Innovation and Commercialization

1.1.2 Sub-Program: Productivity and Growth

1.1.3 Sub-Program: International Business Development

1.2 Program: Community Development

1.2.1 Sub-Program: Community Investment

1.2.2 Sub-Program: Community-based Business Development

1.3 Program: Policy, Advocacy and Coordination

1.3.1 Sub-Program: Policy

1.3.2 Sub-Program: Advocacy

1.3.3 Sub-Program: Coordination

1.4 Program: Internal Services

Organizational Priorities

All organizational priorities support the Agency's strategic outcome: a competitive Atlantic Canadian economy. This outcome reflects the Agency's legislative purpose to enhance the growth of earned incomes and employment opportunities and to advocate on behalf of Atlantic Canada, affecting national policy.

Priority 1	Type ^{iv}	Program
Focus ACOA's programs and services on initiatives that encourage Atlantic Canadian businesses to become more innovative, productive and competitive in the global marketplace.	Ongoing	Enterprise Development, with support from Community Development and Policy, Advocacy and Coordination
Description		

Why is this a priority?

Productivity drives competitiveness, economic growth and, ultimately, living standards. The current period of economic uncertainty has added to an already challenging situation in Atlantic Canada in terms of closing the productivity gap, and the region is facing significant risk from an aging population and a shortage of skilled workers. Strategic investments in areas such as innovation, business and management skills, and development of SMEs' international business activities are essential to enhancing the competitiveness of the region's SMEs and the continued vitality of the region's communities.

What are the plans for meeting this priority?

- Support businesses, industry sectors and community-based networks to improve business productivity and competitiveness through innovation and skills initiatives such as commercialization activities, the adoption and adaptation of technology, lean manufacturing initiatives, and the acquisition of business and management skills.
- Assist regional business and industry to expand into the global marketplace by exploring opportunities for international trade as outlined in Canada's Global Markets Action Plan and capitalizing on the Canada-European Union Comprehensive Economic and Trade Agreement (CETA).
- Provide research, coordination and policy that support engagement and collaboration with federal, provincial, private sector and academic partners throughout Atlantic Canada to identify an effective approach to addressing productivity, competitiveness and the skills challenges in the region.
- Build and develop SME capacity focused on innovation, skills and global value chains to capitalize on opportunities related to the Atlantic Shipbuilding Action Plan and other major projects.

Priority 2	Type ^{iv}	Program
Develop and implement strategies in response to the distinct economic needs and opportunities of Atlantic Canadian communities, with a particular focus on rural businesses.	Ongoing	Community Development, with support from Enterprise Development and Policy, Advocacy and Coordination

Description

Why is this a priority?

The diverse culture, geography and economic conditions throughout the four Atlantic provinces necessitate customized responses to economic needs that balance the significant differences and potential synergies between rural and urban areas. Rural communities must address significant challenges facing the natural resources sector, which has traditionally driven the regional economy, and investigate opportunities for diversification. This is especially important in Atlantic Canada – one of the most rural regions in Canada – where more than 40 per cent of the population is located in rural communities. Stakeholders must work together to ensure that strategies developed in response to specific needs are complementary and contribute to a stronger region.

What are the plans for meeting this priority?

- Continue to work closely with partners in the private sector, academia, community-based groups, and other government departments to address the needs of communities, especially in rural areas that are vulnerable to the out-migration of skilled workers and an aging population.
- Maximize the use of ACOA's resources, as well as those of its partners such as Community Business Development Corporations, to assist rural SMEs in identifying strategic opportunities for economic growth and diversification.
- Assist in addressing the challenges faced by tourism and various resource sectors that are seeing fluctuations in the global market, and provide help in preparing strategies to successfully grow those sectors in order to ensure that communities benefit from development opportunities.
- Support federal priorities by aligning activities with national frameworks in areas such as Aboriginal economic development, and implement federal strategies such as the Economic Development Initiative under The Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities.
- Undertake and support research and analysis to assess the specific needs of diverse areas and to advocate for responses that will generate economic benefit and create wealth in rural communities.
- Support businesses and communities in developing the capacity to generate specific opportunities for wealth creation, particularly in the rural regions of Atlantic Canada.

Priority 3	Type ^{iv}	Program
Provide leadership through coordination, engagement and advocacy with business, government and other stakeholders throughout the region and with key decision-makers in Ottawa so that businesses are able to capitalize on emerging opportunities and address key challenges.	Previously committed to	Policy, Advocacy and Coordination, with support from Community Development and Enterprise Development

Description

Why is this a priority?

Atlantic Canadian businesses have significant opportunity related to major regional projects that are under way or on the horizon, including shipbuilding and energy-related projects. There is a need to support Atlantic SMEs so they can capitalize on these opportunities, particularly as the region's traditional resource sectors adjust to global markets. This objective requires coordinated support among stakeholders to maximize the economic benefits relating to emerging opportunities and ongoing challenges that may accrue within the region.

What are the plans for meeting this priority?

- Inform key decision-makers and provide them with strategic advice based on rigorous analysis to ensure the Atlantic region's economy capitalizes on opportunities.
- Advocate on behalf of Atlantic Canadian SMEs to promote their capacity and to assist them in preparing for opportunities associated with upcoming major projects.
- Ensure the promotion of the work done in forestry and other natural resource sectors regarding the identification of new value-added products and markets.
- Conduct analysis, build engagement and develop strategies to address opportunities and challenges, particularly in relation to developments in areas such as the energy sector and major projects, CETA, the Atlantic Gateway, and key growth sectors in Atlantic Canada.
- Engage industry and other stakeholders to maximize federal industrial and regional benefits opportunities, with a particular focus on the Atlantic Shipbuilding Action Plan, to capitalize on and prepare for opportunities related to the National Shipbuilding Procurement Strategy.

Priority 4	Type ^{iv}	Program
Continually improve the internal management of the organization and maintain employee engagement to excel in serving Canadians.	Ongoing	Internal Services
Description		
Why is this a priority? During the current period of fiscal restraint and organizational change, ACOA continues to demonstrate a strong commitment to delivering quality results for Canadians. To achieve its objectives, ACOA will have to foster continuous improvement while sustaining a diverse and skilled workforce. The Agency must maintain employee engagement at all levels to ensure efficient and effective decision making that reflects corporate and operational risks. At this time, it is also critical for employees to understand and identify with the Public Service of Canada's values, which are Respect for Democracy, Respect for People, Integrity, Stewardship, and Excellence, as the basis for respectful and ethical behaviour. What are the plans for meeting this priority? • Implement transformational and organizational initiatives that will strengthen and improve the Agency's capacity to deliver excellent programs and services as well as continue to seek opportunities for increased collaboration both within the Agency as well as within the broader government context. ACOA will also continue to support employees and their development in order to enhance performance and productivity and ensure the provision of high-quality service to Canadians. • Manage the implementation of mitigating measures for the Agency's key risks and ensure the integration of risk management into the Agency's planning and decision-making processes. • Implement ACOA's Values and Ethics Strategy to ensure that values are embedded in the Agency's culture. • Reinforce ACOA's commitment to maintaining strong human resources practices, in keeping with public-service values and in meeting the human resources needs and demands of its change management agenda. • Implement initiatives in support of Blueprint 2020.		

Risk Analysis

Corporate Risks

ACOA's 2013 Corporate Risk Profile is the result of a comprehensive and inclusive risk assessment process that generated the following three key corporate risks, ranked in order of priority, and corresponding response strategies for 2014-15.

Key Risk	Risk Response Strategy	Link to PAA
Portfolio Management There is a risk that existing capacity for project selection, evaluation, monitoring and portfolio management activities may not be sufficient to fully achieve program objectives, which could impact on the Agency's overall effectiveness.	Management will mitigate this risk through continued emphasis on improving work processes, enhancing guidance and reference materials that support program delivery, as well as expanding the availability and adequacy of tools to better support monitoring and oversight of portfolio activities. There will be continued focus on training activities and sharing of best practices.	Enterprise Development; Community Development
Organizational Change Management There is a risk that the Agency's efforts to manage significant ongoing change may not be sufficient to sustain productivity, effectiveness and employee engagement.	Management will mitigate this risk by fostering a management culture that maximizes opportunities for increased efficiency and productivity through the implementation of transformational initiatives, and by working in collaboration with other government departments. In addition, management will ensure that organizational change management considerations continue to be integrated into the Agency's planning processes. Finally, management will continue to place particular attention on equipping managers to lead workforce renewal efforts, manage performance, and engage employees in finding ways to strengthen and improve the Agency's capacity to deliver excellent programs and services.	Enterprise Development; Community Development; Policy, Advocacy and Coordination; Internal Services
Information Tools and Systems There is a risk that an up-to-date suite of modern, compatible information tools and systems may not be developed and implemented in a timely manner, which may affect the Agency's productivity.	Management will mitigate this risk by optimizing the use of existing systems and tools through training and awareness; working collaboratively with other government departments in finding a common approach to business solutions, and enhancing internal communications to ensure a common understanding of needs as well as the information technology capacity within the organization.	Enterprise Development; Community Development; Policy, Advocacy and Coordination; Internal Services

ACOA's Operating Environment

ACOA's work is driven by client requirements, strategic priorities, and the ever changing local and regional economic landscapes. The Agency's broad-based approach to regional economic development aims to address the challenges and capitalize on the opportunities through a flexible approach that considers the particular circumstances affecting each Atlantic province.

ACOA's work is influenced by several external and internal factors that give rise to uncertainties that can affect the Agency's ability to achieve expected results.

External Factors

Over the next few years, economic growth in Atlantic Canada will be driven by a combination of factors: oil and gas and renewable energy sector developments; investment in mining projects; the [National Shipbuilding Procurement Strategy](#); and global economic developments, including innovation. Still, uncertainty exists around overall global economic conditions.

Although global economic growth is expected to recover, Atlantic Canada's economy continues to face several risks. Fiscal and structural problems associated with the debt ceiling in the United States as well as slower-than-anticipated growth in several emerging economies could create additional challenges to the region's exporters. International competition from low-cost producers, access to market issues (e.g. transportation, certification) and a relatively strong dollar will continue to challenge Atlantic Canada's manufacturing base and resource industries. An aging population will also place pressure on skills and labour force availability.

The above factors require businesses and communities in Atlantic Canada to become more competitive. It is clear that productivity is an important element in increasing the region's and the country's international competitiveness. Atlantic Canada, while below the national average, has narrowed the productivity gap with the rest of Canada over the past decade, significantly due to strong development in the mining and the oil and gas industries. Moving forward, productivity increases at the firm level will be a key factor to sustain growth in living standards of Atlantic Canadians. The development and commercialization of innovative products and services, a continued focus on business skills development and increased market diversification in both advanced and emerging economies could also help to raise the region's living standards. The Canada-European Union Comprehensive Economic and Trade Agreement, for instance, will provide Atlantic Canadian businesses with access to new market opportunities in the European Union and generate substantial gains for SMEs and hard-working Canadians.

Internal Factors

Given the above factors and the need for sound fiscal management, ACOA is committed to delivering quality results for Canadians by creating an environment in which both opportunities and challenges can be addressed. In meeting this commitment, the Agency will be exposed to a broad range of risks that could affect its ability to fully achieve its objectives.

The whole-of-government approach, Blueprint 2020, common business processes, technological advances, and changing demographics will drive organizational changes in 2014-15 as the Agency strives to become even more innovative, efficient and effective in delivering its programs and services.

ACOA will benefit from a strengthened integrated risk management function, which will allow the Agency to continuously identify, assess, mitigate, communicate and monitor those risks that have the greatest potential to affect progress toward its strategic outcome and organizational priorities.

Planned Expenditures

Budgetary Financial Resources (Planned Spending – dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
288,486,384	238,486,384	284,568,104	284,637,104

Human Resources (Full-Time Equivalents – FTEs)

2014-15	2015-16	2016-17
566	566	566

Budgetary Planning Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome / Program	2011-12 Expenditures	2012-13 Expenditures	2013-14 Forecast Spending	2014-15 Main Estimates	2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
Strategic Outcome: A competitive Atlantic Canadian economy							
Enterprise Development	172,970,427	179,856,451	174,543,400	164,581,549	164,581,549	162,663,269	162,732,269
Community Development	103,813,764	88,520,093	96,126,243	87,408,010	87,408,010	85,408,010	85,408,010
Policy, Advocacy and Coordination	13,646,372	12,403,955	10,806,675	11,351,591	11,351,591	11,351,591	11,351,591
Subtotal	290,430,563	280,780,499	281,476,318	263,341,150	263,341,150	259,422,870	259,491,870
Internal Services	40,023,217	34,881,448	34,724,496	25,145,234	25,145,234	25,145,234	25,145,234
Total	330,453,780	315,661,947	316,200,814	288,486,384	288,486,384	284,568,104	284,637,104

The decrease in planned spending is primarily observable between 2013-14 and 2014-15 under the Enterprise Development, Community Development and Internal Services programs. The decreases stem from the impact of program realignment and efficiencies arising from Budget 2012 and from the conclusion of funding for temporary initiatives such as the Community Infrastructure Improvement Fund and the one-time funding to support community economic development priorities in New Brunswick (i.e. community projects such as the establishment of multifunctional facilities and new recreational infrastructures).

As explained in the Departmental Spending Trend sub-section of this report, similar parliamentary authorities as those received in 2013-14 after the tabling of the 2013-14 Main Estimates will be requested after the tabling of the 2014-15 Main Estimates. These authorities will increase the total planned spending for fiscal year 2014-15 and reduce the variance in spending between 2013-14 and 2014-15.

Alignment to Government of Canada Outcomes

2014-15 Planned Spending, by Whole-of-Government Framework Spending Area (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014-15 Planned Spending
A competitive Atlantic Canadian economy	1.1 Enterprise Development	Economic Affairs	Strong Economic Growth	164,581,549
	1.2 Community Development	Economic Affairs	Strong Economic Growth	87,408,010
	1.3 Policy, Advocacy and Coordination	Economic Affairs	Strong Economic Growth	11,351,591

Total Planned Spending, by Spending Area (dollars)

Spending Area	Total Planned Spending
Economic Affairs	263,341,150
Social Affairs	0
International Affairs	0
Government Affairs	0

Departmental Spending Trend

For fiscal year 2014-15, the Agency's available funding in the Main Estimates is \$288.5 million. This represents a reduction of \$27.7 million (7 per cent) from the 2013-14 forecast spending of \$316.2 million and is due to a number of normal business practices and procedures, including:

- \$9.5 million in parliamentary authorities received after the tabling of the 2013-14 Main Estimates and not yet received in 2014-2105
 - \$5.2 million in funding from repayable collections. The Agency received funding in 2013-14 from repayable contributions that were greater than what was included in the Agency's reference levels. An adjustment is required annually to account for collections in excess of the base amount included in the reference levels;
 - \$0.5 million resulting from the operating budget carry forward from fiscal year 2012-13; and
 - \$4.4 million resulting from the reimbursement of pay-list requirements (severance pay, vacation credits payable upon termination of employment and parental benefits).

Similar authorities will likely be received in 2014-15.

- impacts of program realignment and efficiencies
 - a \$3.5 million decrease resulting from savings identified in the Agency's Budget 2012 measures.
- impacts of the conclusion of funding initiatives and agreements
 - a \$12.7 million decrease due to the conclusion of the Community Infrastructure Improvement Fund; and
 - a \$1.4 million increase due to funding for the Economic Development Initiative of the 2014-18 federal strategy for official languages.
- impacts of other miscellaneous adjustments
 - a \$2.0 million decrease through the final instalment of one-time funding to support community economic development priorities in New Brunswick relating to community projects such as the establishment of multifunctional facilities and new recreational infrastructures;
 - a \$1.0 million decrease resulting from other minor adjustments, including adjustments to employee benefits plan, reduction in travel expenses and a transfer to Shared Services Canada in support of procurement for workplace technology device software; and
 - a \$0.4 million increase due to collective bargaining.

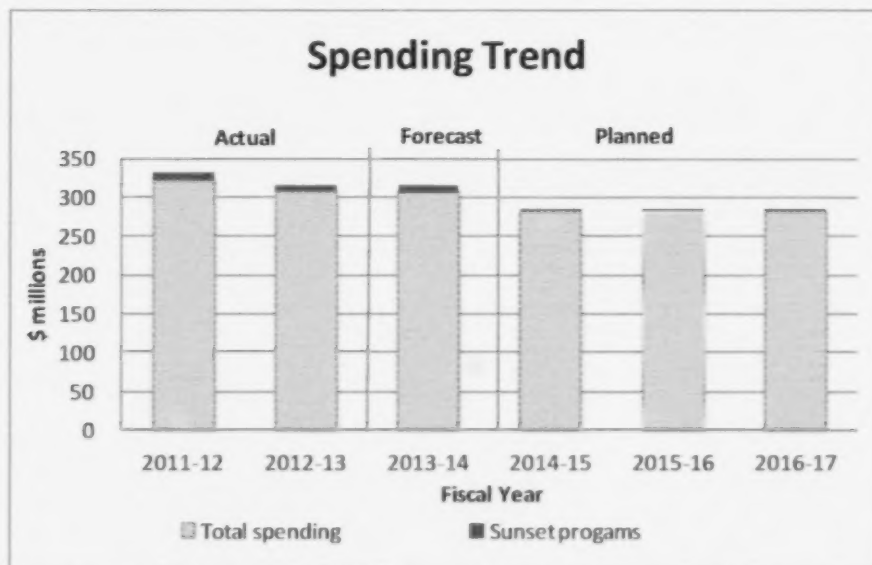
In 2015-16, planned spending will diminish to \$284.6 million, a \$3.9 million (1 per cent) decrease from \$288.5 million in 2014-15. This is due to:

- a \$4.0 million decrease in funding from repayable collections. The Agency reprofiled to fiscal year 2014-15 funding from 2012-13 repayable contributions that were greater than what was included in the Agency's reference levels. An adjustment is required annually to account for collections in excess of the base amount included in the reference levels.
- a \$0.1 million increase for other minor adjustments.

In 2016-17, forecast spending remains at \$284.6 million.

Trend Analysis

The figure below illustrates the Agency's actual, forecast and planned spending from 2011-12 to 2016-17.



Excluding sunset programs (which represent actual spending of \$3.1 million under the Recreational Infrastructure Canada Program in 2011-12, \$8.3 million for the Community Infrastructure Improvement Fund in 2012-13, and \$0.6 million for the Building Canada Fund in 2012-13), the Agency's spending levels from fiscal year 2011-12 to fiscal year 2014-15 will decline mainly as a result of Budget 2011 and Budget 2012 initiatives. These initiatives focused primarily on improving the efficiency and effectiveness of operations and programs to ensure value for taxpayers' money. The planned spending levels will stabilize in fiscal year 2014-15.

Estimates by Vote

For information on the Agency's appropriations, see the publication [*2014-15 Main Estimates*](#).

Contribution to the Federal Sustainable Development Strategy

The [*2013-16 Federal Sustainable Development Strategy \(FSDS\)*](#), tabled on November 4, 2013, guides the Government of Canada's 2013-16 sustainable development activities. The FSDS articulates Canada's federal sustainable development priorities for a period of three years, as required by the *Federal Sustainable Development Act (FSDA)*.

ACOA contributes to Theme I - Addressing Climate Change and Air Quality, and Theme IV - Shrinking the Environmental Footprint - Beginning with Government, as denoted by the visual identifiers below.



Theme I

**Addressing Climate Change
and Air Quality**



Theme IV

**Shrinking the Environmental Footprint -
Beginning with Government**

These contributions are components of the following programs and are further explained in Section II:

- Program 1.3 Policy, Advocacy and Coordination
- Program 1.4 Internal Services

For further information on ACOA's activities to support sustainable development, see [the Agency's website](#). For complete details on the Strategy, please see Environment Canada's [Federal Sustainable Development Strategy website](#).

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome: A competitive Atlantic Canadian economy

Performance Measurement

Performance Indicator	Five-Year Target 2013-14 through 2017-18	Date to be Achieved
Increase of Atlantic Canada's gross domestic product (GDP) for every dollar of ACOA expenditure in direct support of business	\$4.50 ^v	March 31, 2018

A competitive Atlantic Canadian economy increases opportunities for economic development in the region, specifically through the growth of earned incomes and employment opportunities. Productivity is an important determinant of competitiveness and a strong source of long-term prosperity for a region. Competitiveness and productivity are critical factors that allow companies and communities to adapt to changing global conditions. The Agency supports and works with businesses and communities to help them become more competitive, innovative and productive, while identifying and responding to opportunities and challenges in the Atlantic Canadian economy.

Program 1.1: Enterprise Development

Description

Despite recent economic progress and some promising opportunities on the horizon (e.g. energy, shipbuilding), some significant challenges remain for the region to maximize positive growth. One of the most telling indicators of this is that, in a number of sectors, productivity remains significantly lower than in leading countries and other regions of Canada. The Agency works in partnership with Atlantic Canadian businesses, stakeholders, industry and institutions to improve the growth and productivity of Atlantic Canada's economy, leading to increased competitiveness, higher earned incomes and job creation. The Agency works to improve the capacity of Atlantic Canada's rural and urban areas for economic growth through a variety of strategically focused mechanisms: assisting businesses, particularly small and medium-sized ones, to start, expand or modernize and to establish or expand export activities; partnering with universities and other institutions to increase the region's research and development capacity, commercialization and productivity; and promoting and participating in the region's transition to a knowledge economy.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
164,581,549	164,581,549	162,663,269	162,732,269

Human Resources (FTEs)

2014-15	2015-16	2016-17
216	216	216

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2014-15	Date to be Achieved
Improved growth and competitiveness of Atlantic Canadian small and medium-sized enterprises	Percentage points by which the business survival rate of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	10	March 31, 2015
	Percentage points by which the labour productivity growth of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	0.3	March 31, 2015

Planning Highlights

In 2014-15, the Agency will continue to support businesses, industry sectors and community-based networks in Atlantic Canada to improve the innovation capacity, productivity and overall competitiveness of the region's small and medium-sized enterprises (SMEs). This will involve maintaining support for innovation and the commercialization of new products and services, developing export markets and fostering the entrepreneurial skills needed to drive growth.

Investments in innovation projects will also aim to leverage funds from other sources, encourage the development of partnerships for technology development, and increase revenues from the commercialization of new technologies, products, processes and services. In support of these efforts, ACOA will pursue enhancements to its innovation programming and will make program adjustments based on policy analysis and feedback from stakeholders to ensure that its approach continues to have an impact. There will also be a focus on providing support to SMEs to enable them to capitalize on supply chain opportunities related to the Atlantic Shipbuilding Action Plan and other planned major projects. ACOA will advance the competitiveness, productivity and innovation capacity of tourism SMEs through projects such as Accelerated Market Readiness, Tourism Best Practices, Tourism Technology and the Gros Morne Institute for Sustainable Tourism.

ACOA will continue to strengthen the international business capabilities of Atlantic companies, help them to enter international markets and facilitate their international business performance. ACOA will continue to align itself with the Government of Canada priorities, including the [Global Markets Action Plan](#), the Americas Strategy, the India Initiative, and the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), by providing Atlantic Canadian businesses with the tools, access and support they need to succeed in global markets and by promoting Atlantic Canada as a place to do business.

ACOA will invest in projects that enhance access for Atlantic Canadians to the information, business skills and financing they require to start and grow their business and to seize new opportunities. A priority for the coming year will be to support SMEs' investments in productivity, the acquisition of technology and the development of management skills.

Sub-program 1.1.1: Innovation and Commercialization

Description

Raising the levels of research and development (R&D) and of innovation in the region is fundamental to increasing Atlantic Canada's competitiveness and to closing the productivity gap with the rest of the country. The Agency invests in innovation and commercialization by supporting the R&D of new products, services and processes, and their commercialization in the marketplace. As well, the Agency provides support for the adoption and adaptation of leading-edge technologies in businesses. Clients include businesses and organizations such as universities and research institutes. This sub-program uses funding from the following transfer payments: the Atlantic Innovation Fund and the Business Development Program.

Financial Resources (dollars)

2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
86,168,660	85,168,380	85,168,380

Human Resources (FTEs)

2014-15	2015-16	2016-17
81	81	81

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2014-15	Date to be Achieved
Strengthened innovation and commercialization capacity in Atlantic Canada	Amount leveraged per dollar invested by ACOA in innovation projects	\$1.00	March 31, 2015
	Number of key collaborators for technology development and commercialization through Atlantic Innovation Fund projects	45	March 31, 2015
		Four-year Target 2011-12 through 2014-15	
	Dollar amount of revenues resulting from commercialization	\$150 million (cumulative)	March 31, 2015

Planning Highlights

ACOA will continue to foster an environment where innovation can help drive the Atlantic Canadian economy. By investing in innovation, the Agency will help diversify the region's economy and expand markets as well as enhance productivity and competitiveness.

ACOA's investments will, among other things, contribute to leveraging funds from the private sector and other sources toward innovation projects; encourage the development of partnerships for technology development; and increase revenues from the commercialization of new technologies, products, processes and services.

The Agency will work to maximize the impact of its investments, particularly in sectors that are strategically important to the long-term success of the Atlantic region. The Agency will continue to support regional innovation activities that improve the commercialization potential of technologies developed in Atlantic Canada.

ACOA will continue to explore opportunities for innovation to help Atlantic Canada's industries develop new ideas and products, improve existing ones, streamline operations, and acquire new leading-edge technology resulting in greater productivity and increased profits. As well, the Agency will work to promote the region's capacity to carry out leading-edge R&D in specialized areas or specific sectors.

ACOA will also pursue enhancements to its innovation programming to ensure that its approach to innovation continues to be aligned with the business needs of the region, global trends and the latest thinking on innovation and productivity. This includes ensuring that the region's businesses continue to have access to the tools they need to bring new products and services to market, adapt and adopt technology, and improve firm-level processes and productivity. As well, efforts will be made to ensure that the region's universities, colleges and private sector are partnering effectively on innovation.

Sub-program 1.1.2: Productivity and Growth

Description

The Agency invests in productivity and growth to enhance Atlantic Canadians' access to the information, business skills and financing they require to start and/or grow a business. This enables businesses to get established, become more productive and grow, which generates wealth and jobs in the economy. Investments in productivity and growth are made directly by helping businesses to increase competitiveness through activities such as productivity improvement, expansion, modernization, business skills development, training, hiring skilled personnel, and indirectly through contributions to non-profit organizations such as business and economic development associations that undertake activities that foster business productivity and growth. The Agency also administers Canada Business, which acts as a comprehensive source of information on government services, programs, regulations and resources for businesses. By reducing the complexity of dealing with various levels of government, Canada Business plays a role in the business development process. This sub-program uses funding from the following transfer payment: the Business Development Program.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
53,295,707	53,428,707	53,428,707

Human Resources (FTEs)

2014-15	2015-16	2016-17
84	84	84

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2014-15	Date to be Achieved
Enhanced Atlantic Canadian small and medium-sized enterprises' productivity and growth capacity	Amount leveraged per dollar invested by ACOA in commercial Productivity and Growth projects	\$2.00	March 31, 2015
	Percentage of participants in business skills development activities indicating that the activity improved their business skills	85%	March 31, 2015
	Percentage points by which the growth in sales of ACOA-assisted firms exceeds that of comparable firms not assisted by ACOA	0.5	March 31, 2015

Planning Highlights

Business skills, innovation and capital are three powerful and complementary drivers of firm-level productivity and growth. In 2014-15, ACOA will ensure that Atlantic entrepreneurs have access to opportunities to secure the financing they need to grow, innovate and become more productive. The Agency will invest in projects that assist SMEs with hiring skilled personnel to help them address specific business challenges, with modernizing their operations through the adoption of technology, and with incorporating lean manufacturing initiatives so they can prosper.

ACOA will continue to provide funding to non-commercial entities such as business support organizations and education institutions that, in turn, undertake activities that enable entrepreneurs to develop the business and management skills needed to start a business, enhance productivity and improve capacity for growth. These activities will focus on areas such as niche marketing, succession planning, exportation and supplier diversity that boosts SMEs' capacity for growth. ACOA will also continue to emphasize the coordination of its overall investments in business skills development across all its activities.

The Agency will ensure that Atlantic Canadians have continued access to timely and accurate business information via Canada Business, including information on federal and provincial government sources of financing and business skills development opportunities.

Sub-program 1.1.3: International Business Development

Description

Canada's Global Commerce Strategy^{vi} identifies global value chains and new economic forces as offering opportunities while recognizing increased competition for Canada. To strengthen the country's position in international markets, the strategy prescribes taking advantage of emerging global opportunities and reinforcing Canada's image internationally as a preferred business partner and premier investment destination. Consistent with this strategy, the Agency pursues international opportunities with a view to increasing the number of exporters and the volume of export sales, to attracting foreign direct investment and to supporting the international commercialization of technology. Further, the Agency promotes Atlantic Canada abroad as a world leader in energy production, export and research, as a centre of innovation, as a skilled labour pool, as a reliable supplier of quality products at competitive prices and as the gateway to the North American market. The Agency also plays a role in coordinating the efforts of federal, provincial and private-sector organizations in Atlantic Canada in pursuing international business opportunities. Clients include businesses, non-profit organizations, learning and research institutions, and provincial governments. This sub-program uses funding from the following transfer payment: the Business Development Program.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
25,117,182	24,066,182	24,135,182

Human Resources (FTEs)

2014-15	2015-16	2016-17
51	51	51

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2014-15	Date to be Achieved
Expanded export activity by small and medium-sized enterprises in Atlantic Canada	Percentage of small and medium-sized enterprises that expanded their international sales within 12 months of participating in an International Business Development activity	50%	March 31, 2015
	Percentage of commercial International Business Development projects that met expectations, thus contributing to expanded export activity	75%	March 31, 2015
New foreign direct investment opportunities in Atlantic Canada	Number of foreign direct investment transactions completed (deals closed) where ACOA's support contributed to bringing the project to fruition	3	March 31, 2015

Planning Highlights

Through its International Business Development (IBD) sub-program, ACOA will continue to align itself with Government of Canada priorities, including the Global Markets Action Plan, the Americas Strategy and the India Initiative, by providing Atlantic Canadian businesses the tools, access and support they need to succeed in global markets and by promoting Atlantic Canada. The IBD team will help Atlantic Canada exporters take full advantage of CETA, especially when it comes to products benefiting from sizable tariff elimination, for example fish and seafood, maple syrup, potatoes, and frozen and dried fruits. The IBD team will also work with its partners to identify new opportunities in terms of sectors, markets and strategies; with universities and research institutions to support commercialization efforts; with other funding partners to streamline operations; and with the Agency's Policy, Advocacy and Coordination group to ensure strong linkages between research and program delivery.

Exporting remains one of the nation's leading engines of economic growth. It builds revenues, fuels business growth and generates jobs. Given the region's small domestic market, international business is a significant contributor to its economy. The Agency contributes to the region's performance by strengthening the capabilities of SMEs, helping them to enter global markets and fostering their international business results. Other initiatives include identifying and nurturing industry sectors with high export potential, and exploring and developing opportunities in emerging markets.

The IBD's expected results are to increase international business activity of SMEs and the region. This will be achieved by exposing sectors and companies to international market opportunities and ensuring they are well prepared; developing long-term strategies and implementation plans for markets abroad; making available proper intelligence, contacts and opportunities to those interested; and undertaking business activities that support SMEs to increase their sales. Efforts to promote the region as a profitable place to do business will continue through IBD missions, website marketing, participation in key industry conferences, hosting familiarization tours and organizing outreach events. The Agency will work with SMEs striving to commercialize their innovative technologies or processes in order to identify potential partners with whom to collaborate in their research or market expansion.

Program 1.2: Community Development

Description

The Atlantic economy is built on the region's many geographic, linguistic and cultural communities. From rural areas to larger urban centres, the opportunities and challenges vary significantly. Communities are the foundation of economic development and are critical for economic prosperity. The Agency recognizes the importance of communities and supports their efforts to develop the resources they need to contribute fully to their economic development. For those reasons, the Agency focuses community development efforts and strategies to create dynamic and sustainable communities with increased economic and business activities as well as quality public infrastructure. The Agency develops and delivers programming that meets the unique economic development needs of rural areas in Atlantic Canada and that contributes to a stronger region. The Agency collaborates with the private sector, other levels of government, other federal government departments, educational institutions, non-profit organizations and communities to leverage support, coordinate economic development, identify and capitalize on emerging opportunities and react to economic challenges across the region. This requires a flexible approach based on the realities of a given community's capacities, strengths and challenges.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
87,408,010	87,408,010	85,408,010	85,408,010

Human Resources (FTEs)

2014-15	2015-16	2016-17
92	92	92

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2014-15	Date to be Achieved
Dynamic and sustainable communities in Atlantic Canada with increased economic and business activity	Percentage of Community Development (CD) projects that met expectations, thus contributing to the CD expected result	80%	March 31, 2015
	Percentage points by which the business survival rate of clients assisted by Community Business Development Corporations (CBDCs) exceeds that of comparable firms not assisted by CBDCs	10	March 31, 2015

Planning Highlights

In 2014-15, ACOA will continue to work with communities, community economic development networks, and provincial and municipal governments to stimulate economic development benefiting the region's rural and urban areas. This will involve investing in initiatives that are well-aligned with the economic priorities and distinct needs of the various communities throughout Atlantic Canada.

To stimulate economic development at the community level, ACOA uses its various programs, in particular the Innovative Communities Fund, the Community Futures Program and the Business Development Program. Through these funding mechanisms, the Agency will make strategic investments that improve the productivity and competitiveness of Atlantic SMEs and the communities in which they operate. The Agency's focus in the area of infrastructure will be to collaborate with Infrastructure Canada in the continued delivery of current infrastructure programs.

ACOA will continue to invest in community-based business development organizations such as Canada Business Development Corporations (CBDCs) to ensure Atlantic Canadian businesses in rural areas have access to the capital, the information and the counselling essential to the vitality and sustainability of communities.

The Agency will continue to work with Aboriginal communities to identify investments that support strategic economic development in priority areas.

Furthermore, ACOA will build on its relationship with Atlantic Canada's Official Language Minority Communities in implementing the Economic Development Initiative, which is part of the Roadmap for Canada's Official Languages 2013-2018: Education, Immigration, Communities.

Sub-program 1.2.1: Community Investment

Description

To be sustainable and to grow, communities must take responsibility for their own economic development future. They must have the capacity and resources available to them at a local level to lead the community development process as well as to invest in those initiatives that stimulate their economic development. These communities include geographic communities and communities of interest such as industry sectors, non-profit organizations and Aboriginal and francophone organizations. The Agency works with these communities, assisting them to develop their own vision for economic growth through targeted planning and making strategic investments toward increasing the human capacity present in the community, including skills development, training, and coordination, as well as the physical capacity (i.e. community infrastructure). This sub-program uses funding from the following transfer payments: the Innovative Communities Fund and the Business Development Program.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
69,648,190	67,504,190	67,628,190

Human Resources (FTEs)

2014-15	2015-16	2016-17
75	75	75

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2014-15	Date to be Achieved
Communities respond to economic and business development opportunities and challenges	Amount leveraged per dollar invested by ACOA in Community Investment projects	\$1.50	March 31, 2015

Planning Highlights

Investing in initiatives that show potential to stimulate economic development in rural communities challenged with changing demographics continues to be a priority for the Agency under the Community Investment sub-program. In 2014-15, the Agency will continue to encourage partnerships between communities, provinces and stakeholders at the local level and build on the economic development capacity of communities.

Through the Innovative Communities Fund, ACOA will continue to promote investments that have a high economic impact in Atlantic Canadian communities. These investments will have a particular focus on growing key priority sectors as well as in contributing to the realization of strategic community infrastructure projects.

ACOA's Strategic Tourism Expansion Program will increase the competitiveness of rural tourism communities by guiding them through the process of building and executing a strategic and sustainable tourism action plan.

ACOA will pursue its collaboration with its various partners, including provincial and municipal governments, in order to maximize potential investments that benefit rural communities. The amount leveraged per dollar invested by ACOA will demonstrate that communities are pulling together the necessary resources to realize higher economic impact projects while engaging key stakeholders.

As in the past, ACOA will engage with official language minority communities through its many networks and points of service to identify investments that will enhance the vitality of those communities via its regular programs as well as through the delivery of the Economic Development Initiative of the Roadmap for Canada's Official Languages 2013-2018.

The Agency will pursue its collaboration with Aboriginal organizations to identify investments that will strengthen Aboriginal entrepreneurs and the Aboriginal economy.

Sub-program 1.2.2: Community-based Business Development

Description

The lack of business capital available in rural regions of Canada has the potential to be a significant economic development barrier. It impedes the establishment and expansion of small businesses in rural areas that are essential to the vitality and sustainability of communities. The Agency provides targeted support to community-based non-profit organizations to address investment capital gaps that focus on small businesses. As such, the Agency provides contributions to a network of CBDCs in Atlantic Canada that are run by community-based volunteer boards of directors. CBDCs provide an essential source of investment capital that focuses on small rural businesses as well as on other services that include business counselling and skills development. In addition, the Agency assists Aboriginal communities by improving access to capital for small and medium-sized Aboriginal businesses through the Ulnooweg Development Group Inc. This sub-program uses funding from the following transfer payments: the Community Futures Program, the Innovative Communities Fund, and the Business Development Program.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
17,759,820	17,903,820	17,779,820

Human Resources (FTEs)

2014-15	2015-16	2016-17
17	17	17

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2014-15	Date to be Achieved
Strengthened and expanded businesses	Percentage points by which the employment growth of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	2	March 31, 2015
	Percentage points by which the growth in sales of CBDC-assisted clients exceeds that of comparable firms not assisted by CBDCs	5	March 31, 2015

Planning Highlights

ACOA will continue investing in community-based business development organizations to ensure Atlantic Canadian businesses located in rural areas have access to the capital, the information and the counselling they need and that are essential to the vitality and sustainability of communities.

The Agency will continue to foster a collaborative result-based management approach to ensure value for money with organizations such as CBDCs. For CBDCs, this would include the continuous improvement of the Community Futures of Tomorrow model as part of a collaborative joint oversight committee. The immediate impact of ACOA's investments will be measured by the percentage of funding in business loans, the types of loans provided, the number of businesses receiving financing and the dollar value of loans, as well as the number of clients who have taken part in training or business counselling.

ACOA will work with stakeholders' networks and individual organizations to implement a strong governance framework and appropriate training to enable these organizations to perform effectively and efficiently over the long term.

To help Atlantic Canadian businesses become more productive and competitive, the Agency will engage with stakeholders to look at ways to enhance the adoption, development and commercialization of new technologies by rural SMEs supported by community-based business development organizations. In collaboration with these stakeholders, ACOA will encourage more lending in high-priority areas such as innovation, youth and first-time entrepreneurs.

ACOA will pursue its close collaboration with community-based business development organizations to enhance their contribution in support of businesses with effective tools such as consultant advisory services as well as the provision of capital and business training targeting youth in urban areas. ACOA will also work with the CBDC network on innovative approaches to better equip CBDCs to help clients capitalize on specific opportunities resulting from major projects.

Program 1.3: Policy, Advocacy and Coordination

Description

The Agency's Policy, Advocacy and Coordination (PAC) program is central to identifying and effectively responding to opportunities and challenges facing the regional economy. PAC provides intelligence, analysis and well-grounded advice on a broad range of issues and topics, and it informs and supports Agency and ministerial decision making. PAC helps carry the Agency's agenda forward and ensure that ACOA overall remains relevant and responsive to the opportunities and challenges in Atlantic Canada by offering strategic, researched policy positions that reflect the region's potential, by influencing national policies and programs that affect Atlantic Canada's development and interests, and in coordinating other policies and programs within the region to form integrated approaches to development.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
11,351,591	11,351,591	11,351,591	11,351,591

Human Resources (FTEs)

2014-15	2015-16	2016-17
68	68	68

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2014-15	Date to be Achieved
Policies and programs that strengthen the Atlantic economy	Percentage of PAC activities that have met their objectives, thus contributing to the PAC expected result	75%	March 31, 2015

Planning Highlights



In 2014-15, the Agency will continue to play a critical role in delivering on the federal agenda and reflecting national priorities in Atlantic Canada by conducting policy research and analysis and by providing sound policy advice. Research and analysis will reflect opportunities and challenges related to the region's economy in industries such as tourism and to factors influencing competitiveness and productivity such as business skills, innovation and commercialization, rural and urban issues and international business development.

The Agency will also focus its efforts on key issues reflecting both Atlantic Canadian priorities and the federal agenda so that economic policies and programs respond to

regional development opportunities. ACOA will advocate on behalf of Atlantic SMEs to help them prepare for opportunities related to the energy sector and other major projects, promote their capacities in areas such as innovation, commercialization and skills development, and take maximum advantage of CETA as well as the Global Markets Action Plan. The Agency's advocacy efforts aim to secure industrial regional benefit commitments for Atlantic SMEs resulting from procurements within the Canada First Defence Strategy and the National Shipbuilding Procurement Strategy. Through the continued implementation of the Atlantic Shipbuilding Action Plan, ACOA will play a key role in helping businesses understand and capitalize on the full range of opportunities available to them to contribute to the shipbuilding supply chain.

In its coordination role, the Agency will work with the four Atlantic Provinces and other stakeholders to capitalize on opportunities related to the shipbuilding initiative and other major projects in the region. Under the leadership of the Atlantic Canada Energy Office, the Atlantic Energy Gateway initiative aims to facilitate the development of the region's energy sector by fostering collaboration, common understanding and communication among the public and private sectors in order to maximize the development of new energy projects in the region.

The Agency will also continue to coordinate Atlantic Gateway activities across provincial governments, private-sector partners and other stakeholders in the region.

Sub-program 1.3.1: Policy

Description

Policy provides a solid base of understanding for the development of the Agency's strategic priorities and initiatives, program design, and input to national policy development and federal-provincial relations. This includes policy analysis and advice (including the development of policies and frameworks), economic analysis, research and stakeholder engagement. The policy function is carried out by officials at head office, in the regional offices and in the Ottawa office. The Agency's Policy work is supported in part by a dedicated Agency fund that contributes to building policy research capacity in Atlantic Canada. This sub-program uses funding from the following transfer payments: the Atlantic Policy Research Initiative and the Business Development Program.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
6,149,641	6,149,641	6,149,641

Human Resources (FTEs)

2014-15	2015-16	2016-17
32	32	32

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2014-15	Date to be Achieved
Well-informed policy decisions reflecting opportunities and challenges of the Atlantic Region's economy while considering enterprise and community development potential	Percentage of Policy activities that have met their objectives, thus contributing to Policy's expected result	80%	March 31, 2015

Planning Highlights

Through its Policy research, analysis and engagement activities, which provide the foundation for the development of strong policies and programs, ACOA will continue to contribute to a competitive Atlantic Canadian economy and to support Advocacy and Coordination activities. It will conduct analysis and focused research of policy issues and trends in key areas reflecting opportunities and challenges related to the Atlantic region's economy such as productivity, business skills, international business development, business succession, innovation and commercialization, rural and urban issues, community development, the Atlantic Gateway and Trade Corridor, the Atlantic Energy Gateway, major projects (e.g. energy, mining, shipbuilding), and other priority sectors for Atlantic Canada such as resource industries. ACOA will remain engaged on the

Organisation for Economic Co-operation and Development's Territorial Development Policy Committee and its working parties, the main international forum for discussion and exchange in the field of regional policy.

The Agency's Policy function also plays a vital role in providing a better understanding of Atlantic Canada's economic environment as well as of the issues, challenges and opportunities facing the regional economy. ACOA will continue to enhance its understanding of a variety of issues facing the region by undertaking macroeconomic, microeconomic and fiscal analyses.

ACOA will continue to engage research partners and stakeholders on Atlantic regional economic development issues and priorities. Through the Atlantic Policy Research Initiative, efforts will include a study on the potential economic value of tidal power development and an assessment of labour force supply issues in Atlantic Canada relative to the region's occupational and industry-level composition. The Agency will also pursue a number of engagement efforts with federal, provincial, private sector, industry association and academic partners to ensure that SMEs are well positioned to capitalize on opportunities related to the Atlantic Shipbuilding Action Plan, CETA and other major projects.

Sub-program 1.3.2: Advocacy

Description

Federal decision-makers must understand and consider Atlantic Canada's interests, and regional stakeholders must remain well informed of federal government actions and of opportunities that are relevant to the economic interests of the region. The Agency's Advocacy activities aim to advance the region's interests in national policy and program development. In the case of federal government procurement, particularly major Crown projects, the Agency advocates to leverage industrial regional benefits for Atlantic Canadian SMEs.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
2,755,295	2,755,295	2,755,295

Human Resources (FTEs)

2014-15	2015-16	2016-17
19	19	19

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2014-15	Date to be Achieved
Atlantic enterprise and community development interests are considered in emerging and changing federal economic policies, programs and regulations	Percentage of Advocacy activities that have met their objectives, thus contributing to Advocacy's expected result	75%	March 31, 2015

Planning Highlights

ACOA will continue to advocate for national policies and programs that encourage Atlantic Canadian businesses to become more innovative, productive and competitive in the global marketplace.

The Agency will ensure that Atlantic Canadian SMEs position themselves to take advantage of opportunities related to the National Shipbuilding Procurement Strategy. Through the Atlantic Shipbuilding Action Plan, the Agency will work with public- and private-sector partners to deliver supplier development initiatives and to provide opportunities for SMEs to engage with key stakeholders. ACOA will also continue to assist the development of the Atlantic Canadian aerospace and defence industry, seeking opportunities to maximize the economic impact of procurement related to the Canada First Defence Strategy.

ACOA will promote investment in Atlantic Canada's energy sector, including policy and regulatory changes that could improve the environment for investment in offshore oil and gas exploration, and will support the development of Atlantic Canada's clean energy assets. It will also advocate for efforts to address demographic challenges facing the region, including supporting skills development strategies that enhance productivity and respond to regional skills shortages.

The Agency will work to ensure international trade policies create opportunities that will help Atlantic Canadian businesses expand abroad. This includes services that assist SMEs to capitalize on broader access to markets arising from free trade agreements such as CETA, which will increase demand on Atlantic Canada's shipping and transportation systems. The Agency will continue to collaborate with all levels of government to highlight the value of a competitive Atlantic Gateway and Trade Corridor. It will also ensure its own activities support national strategies such as Canada's Global Markets Action Plan and the Americas Strategy.

ACOA will collaborate with federal departments to develop and implement policies and programs that encourage the sustainable transformation of Atlantic Canada's natural resource sectors, focusing on opportunities to support new uses and markets for Atlantic Canada's resources and new technologies for resource exploitation.

ACOA will also strive to ensure federal policies, programs and investments are designed to improve commercialization outcomes in the region, and will advocate for the importance and effectiveness of place-based innovation programs in federal innovation policies.

Sub-program 1.3.3: Coordination

Description

The Agency is mandated by legislation to coordinate the policies and programs of the Government of Canada in relation to opportunities for economic development in Atlantic Canada. The Coordination function engages a range of economic partners to address the economic priorities of Atlantic Canada through a coherent and collaborative approach to development, including federal-provincial initiatives, round tables and expert panels. The Agency also coordinates with other federal departments and with the Regional Federal Councils on regional development efforts.

Budgetary Financial Resources (dollars)

2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
2,446,655	2,446,655	2,446,655

Human Resources (FTEs)

2014-15	2015-16	2016-17
17	17	17

Performance Measurement

Expected Result	Performance Indicator	Annual Target 2014-15	Date to be Achieved
Coordination of partners in addressing the economic priorities of Atlantic Canada through a coherent approach to development	Percentage of Coordination activities that have met their objectives, thus contributing to Coordination's expected result	75%	March 31, 2015

Planning Highlights

In 2014-15, ACOA will continue to focus on the Coordination function, encouraging partners to work together to address Atlantic Canada's economic priorities and pursue a coherent approach to economic development. This will allow businesses to capitalize on emerging opportunities and address key challenges in the region. ACOA will continue to work with the four Atlantic Provinces to identify common goals and priorities, to facilitate joint research and coordinate the delivery of economic development programs and services as well as to support the strategic objectives of the Government of Canada's Federal Tourism Strategy.

The Agency will continue to participate in and lead co-operative initiatives such as the Atlantic Gateway Federal-Provincial Officials Committee. It will work with Atlantic Gateway stakeholders to build a more integrated, efficient and globally competitive transportation system in Atlantic Canada. It will pursue its work under the Atlantic Energy Gateway to advance the development of the Atlantic energy sector by facilitating and coordinating federal efforts in support of the development of new energy projects in the region, while engaging provincial governments and key stakeholders in the region's energy sector. Other multi-level collaborations with the Provinces will continue on issues of importance to various parts of the Atlantic region, such as tourism, community development, shipbuilding, resource and knowledge-based industries, labour market and skills development, infrastructure, ocean technology, aerospace and defence, bioscience, and international business development.

To help maintain effective linkages and a coordinated federal approach in the region, ACOA will continue to work with federal departments through the Regional Federal Councils. In 2014-15, the councils will continue to provide regional intelligence to central agencies and advance Government of Canada horizontal priorities within the region in priority areas, including the Blueprint 2020 Vision, management excellence, performance management and official languages.

In 2014-15, ACOA will continue to work with other federal departments and regional development agencies via committees, working groups and task forces to align regional development policies with Government of Canada priorities. The Agency will collaborate with federal departments and provincial counterparts to address opportunities and challenges in both rural and urban areas in relation to development in areas such as key growth sectors and major projects. ACOA's engagement with universities and industry will continue, as will its engagement with researchers in the region, elsewhere in Canada, and internationally.

Program 1.4: Internal Services

Description

Internal Services are groups of related activities and resources administered to support the needs of programs and other corporate obligations of an organization.

These groups are: management and oversight services; communications services; legal services; human resources management services; financial management services; information management services; information technology services; real property services; materiel services; acquisition services; and travel and other administrative services. Internal Services includes only those activities and resources that apply across an organization and not those provided specifically to a program.

Budgetary Financial Resources (dollars)

2014-15 Main Estimates	2014-15 Planned Spending	2015-16 Planned Spending	2016-17 Planned Spending
25,145,234	25,145,234	25,145,234	25,145,234

Human Resources (FTEs)

2014-15	2015-16	2016-17
190	190	190



Planning Highlights

In 2014-15, ACOA will continue to implement transformational and organizational initiatives that will strengthen and improve the Agency's capacity to deliver excellent programs and services. The focus will be on implementing common business processes that support the government's transformation agenda of adopting standard government solutions in areas such as human resources, information management/information technology and finance, as well as on engaging employees in the implementation of initiatives to support the vision and principles of Blueprint 2020. To accomplish this, the Agency will build on its partnership with government departments such as other regional development agencies and Shared Services Canada to explore opportunities for increased efficiency through collaboration.

Evidence-based decision making, accountability and the continuous improvement of programs and services are supported by ACOA's performance measurement and evaluation functions. To further these objectives, the Agency has a robust performance measurement framework in place for 2014-15 and will implement ACOA's Evaluation Plan for 2013-18.

ACOA will continue to coordinate and lead an annual integrated planning process to ensure that its planning activities remain aligned with Government of Canada priorities and the Agency's mandate and budgetary resources. ACOA will also ensure the

integration of human resources and risk management into its planning and decision-making processes. In addition, the Agency will continue to implement its renewed security plan.

ACOA will support the implementation of central agency policy instruments such as the Directive on Performance Management, and will reinforce its commitment to maintaining strong human resources practices through awareness sessions for employees and training for managers and supervisors.

The Agency will continue to implement its Values and Ethics Strategy to ensure that values and ethics remain at the foundation of its corporate culture and will uphold open dialogue at all levels of the Agency.

ACOA is a participant in the 2013-16 Federal Sustainable Development Strategy (FSDS) and, through its Internal Services program, contributes to the targets of the strategy's Theme IV: Shrinking the Environmental Footprint – Beginning with Government.

The FSDS goal under Theme IV is Greening Government Operations, which has five target areas that apply to ACOA, including the following:

- take action to embed environmental considerations into public procurement, in accordance with the federal Policy on Green Procurement;
- develop an approach to maintain or improve the sustainability of its workplace operations; and
- establish specific, measurable, achievable, relevant and time-bound targets to reduce the environmental impact of its services to clients.

Specific details on each of ACOA's target areas related to Theme IV can be found in the supplementary information table, Greening Government Operations.

Section III: Supplementary Information

Future-Oriented Statement of Operations

The future-oriented condensed statement of operations presented in this subsection is intended to serve as a general overview of ACOA's operations. The forecasted financial information on expenses and revenues is prepared on an accrual accounting basis to strengthen accountability and to improve transparency and financial management.

Because the future-oriented statement of operations is prepared on an accrual accounting basis and the forecast and planned spending amounts presented in other sections of this report are prepared on an expenditure basis, amounts will differ.

A more detailed future-oriented statement of operations and associated notes, including a reconciliation of the net costs of operations to the requested authorities, can be found on the [Agency's website](#).

Future-Oriented Condensed Statement of Operations

For the Year Ended March 31 (dollars)

	Estimated Results 2013-14	Planned Results 2014-15	Change
Total expenses	242,728,000	229,831,000	(12,897,000)
Total revenues	23,000	10,000	(13,000)
Net cost of operations	242,705,000	229,821,000	(12,884,000)

Total planned expenses for 2014-15 are \$229.8 million, a \$12.9 million decrease from the 2013-14 estimated results. The projected decrease is mainly attributable to the conclusion of the Community Infrastructure Improvement Fund program under Community Development.

Of the planned expenses, \$95.7 million, (41.6 per cent) will be spent in the Enterprise Development program, \$92.3 million (40.2 per cent) in the Community Development program, and \$12.7 million (5.5 per cent) in the Policy, Advocacy and Coordination program. Internal Services will represent \$29.1 million (12.7 per cent).

Planned expenses for 2014-15 include \$145.6 million in transfer payments such as grants, conditionally repayable contributions and non-repayable contributions. These expenses are primarily made under the Agency's Community Development (\$78.6 million) and Enterprise Development (\$65.9 million) programs and are in support of the Agency's mandate.

The planned expenses do not include unconditionally repayable contributions transfer payments, which are estimated to be \$62.0 million. These are classified as assets.

Revenues represent the gain on disposal of tangible capital assets.

List of Supplementary Information Tables

The following supplementary information tables can be found on the Agency's website:

- [Details on Transfer Payment Programs](#)
- [Internal Audits and Evaluations](#)
- [Greening Government Operations](#)
- [Horizontal Initiatives](#)

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance publishes cost estimates and projections for these measures annually in the [*Tax Expenditures and Evaluations*](#) publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the sole responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

Atlantic Canada Opportunities Agency
644 Main Street
P.O. Box 6051
Moncton, New Brunswick E1C 9J8
(Courier address: E1C 1E2)

General inquiries: 506-851-2271
Toll free (Canada and the United States): 1-800-561-7862
Facsimile: 506-851-7403
Secure Facsimile: 506-857-1301
Access to Information/Privacy: 506-851-6203
TTYⁱⁱⁱ: 1-877-456-6500
<http://www.acoa-apeca.gc.ca/English/Pages/home.aspx>

Endnotes

ⁱ Parliament of Canada, *Selected Departmental Performance Reports for 2008-2009 – Department of Industry, Department of Transport. Report of the Standing Committee on Public Accounts*, September 2010.

ⁱⁱ Parliament of Canada, *Strengthening Parliamentary Scrutiny of Estimates and Supply. Report of the Standing Committee on Government and Operations Estimates*, June 2012.

ⁱⁱⁱ *Atlantic Canada Opportunities Agency Act*, R.S.C., 1985, c. 41, 4th Supp.

^{iv} "Type" definitions:

- New: newly committed to for fiscal year 2014-15
- Previously committed to: committed to one or two fiscal years earlier (i.e. 2012-13 or 2013-14)
- Ongoing: committed to at least three fiscal years earlier (i.e. 2011-12 or earlier)

^v Measuring the impact on GDP in Atlantic Canada is a long-term, multi-dimensional undertaking. Thus, the Agency reports results every five years, based on an analysis of data from internal systems, using econometric modelling from The Conference Board of Canada. This indicator will next be measured in 2018, covering the five-year period 2013-14 through 2017-18.

^{vi} The Global Commerce Strategy is now known as the Global Markets Action Plan, which is how it will be referred to throughout this report.

^{vii} A teletype or teletypewriter (TTY) is a device that enables people who are hearing or speech impaired to use a telephone to communicate by typing and reading messages instead of talking and listening. A TTY is required at both ends of a conversation in order to communicate.